

Report on Interested Parties Meeting
Proposed Regulation Section 19089,
Relating to Notice of Bankruptcy or Receivership
December 3, 2010

Administration

An interested parties meeting was held on December 3, 2010, at 9:00 a.m. at the Franchise Tax Board Central Office in Sacramento. Approximately seven individuals attended in person. Representing the department was Amanda Vassigh Sigal, Tax Counsel III, of the Legal Division.

Background

Revenue and Taxation Code Section 19089 provides, in part, that “[e]very trustee in a case under Title 11 of the United States Code, receiver, assignee for the benefit of creditors or like fiduciary shall give notice of qualification as such to the Franchise Tax Board in the manner and at the time that may be required by regulations of the Franchise Tax Board” and that “[t]he Franchise Tax Board may by regulation provide any exemptions from the requirements of this section that the Franchise Tax Board deems proper.” The Franchise Tax Board has not adopted regulations under this section. The potential new regulation would be designed to implement the section.

The purpose of the interested parties meeting was to elicit public input into the potential new regulation and discuss issues to be considered in drafting language. This included addressing who is required to give notice of qualification, the manner in which notice must be provided, the time requirement for providing the notice, and whether any exemptions to the notice requirement are appropriate.

Staff Commentary

Staff opened the meeting by describing the purpose of the future regulation and inviting comments, questions, and suggestions for the draft language.

Attendee Commentary

No questions were asked.

Subsequent Action

At the conclusion of the meeting, staff reiterated its interest in hearing and receiving additional comments. Staff will draft language for the regulation and hold a second interested parties meeting in the future to elicit comments on the draft language.